Relationship between Organization Culture, Empowerment and Conflict

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ABSTRACT

Higher Education Institutions in Pakistan are consistently witnessing increased level of conflicts among employee. This increase significantly impact culture of the higher education Institutions. Culture is driving force for the organizations behavior. Literature indicated the importance of organization culture for reshaping employee work practices, provide empowerment. Organizations are becoming more culturally diverse, mainly because of their operations diversity. Empowerment may affect the performance of the employee. Current study aims to investigate the relationship of the conflicts and employee performance, mediating role of empowerment and moderating role of organization culture. A Random sample of 100 employees from Higher Education institutions was selected. Study used a likert scale questionnaire for the data collection. Result revealed that there is a negative relationship of the employee conflicts and employee performance and empowerment moderates the relationship while organization plays a moderating role. Study is useful for the HEI’s top management to understand the factors that lower employee performance.

Keywords: Higher Education Institution, Conflicts, Empowerment, Organization Culture

JEL Classifications: M00

1. INTRODUCTION

Conflict is an area of interest when discussing organizational behavior and the management of human resources. Employee conflicts are important both from the employee as well as the organizational perceptive. Conflicts have diverse effect on organization. Literature indicated that there are different types of conflicts and with both positive and negative effects on employee performance in organization (de Wit et al., 2012). Organizations are continuously looking for new ways to reduce the level of conflicts among employees. For this purpose, it is important to examine the causes and effect of the conflicts in the organizational setting. The most important factor is to study the types of conflicts among the employees and how these work conflicts are formed. This is important to understand the causes and effects of conflicts on the employees’ performance. Most important factor is organizational culture, while studying the causes of conflicts among employees at work (Bell, 2007; Harrison et al., 2002; Peeters et al., 2006a; Peeters et al., 2006b). Culture can cause so many organizational phenomena which can directly or indirectly produce conflicts.

2. CONFLICT AND EMPLOYEE PERFORMANCE

Performance is the area is affected by any kind of organizational conflict. This is the reason that a large number of researchers focus their research activity towards the investigation of their relationship. Wilmont and Hocker (2001, p. 41) state that conflict is “an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources and interference from others in achieving their goals” and conflict management styles refer to “patterned responses, or clusters of behavior, that people use in conflict” through diverse communication tactics (Wilmot and Hocker, 2001, p. 130). At the employee level, conflict begins “when one party perceives that the other has negatively
affected, or is about to negatively affect, something that he or she cares about” (Thomas, 1992, p. 653).

Conflict is defined as “perceptions by the parties involved (in a group) that they hold discrepant views or have interpersonal incompatibilities” (Jehn, 1995, p. 257). This definition suggests that, like other group phenomena, conflict has both cognitive (task) and social (relationship) elements. This multidimensionality is reflected in a typology of task, relationship, and process conflict dimensions (Jehn, 1995), which are further purported to explain the potentially functional and dysfunctional manifestations of conflict. Specifically, task conflict is thought to have a positive relationship with group performance (decision quality), while process and relationship conflict are argued to have negative associations with both performance and affect (satisfaction and commitment; De Dreu and Van de Vliert, 1997; Jehn, 1994; Jehn, 1997; Pelled et al., 1999). However, empirical support for these associations, and particularly the positive influence of task conflict in the work group, has been inconclusive (De Dreu and Weingart, 2003). Hence, it is further argued that the functional or dysfunctional impact of task conflict depends on the level or amount of conflict and the context in which it occurs (De Dreu and Van de Vliert, 1997; De Dreu and Weingart, 2003; Jehn, 1995). There has been varying support for how each type of conflict influences group and Employee outcomes (De Dreu and Weingart, 2003).

The discussion of conflict theory began with the assumption that conflict is negative and needed to be avoided (Robbins and Judge, 2010). This traditional perspective made the notion of ‘group conflict’ synonymous with violence, destruction, and struggle, therefore reinforcing its negative connotation (Hamm-Kerwin and Doherty, 2010). The traditional view offered a very simplistic way of analyzing group conflict behaviors given that all conflict was presumed to be dysfunctional. Thus, identifying the causes of conflict and eliminating its antecedents would remedy any of the negative ramifications. The ease of applying the traditional perspective was intriguing; however, empirical evidence suggested that removing all conflict from groups was impossible (Robbins and Judge, 2010). Subsequently, a human relations perspective evolved that suggested eliminating conflict from group interaction was unjustified. This perspective highlights that conflict is natural and inevitable in any group and therefore cannot be removed (Robbins and Judge, 2010). Robbins and Judge further noted that, within the human relations view, conflict must be controlled by providing employees and groups with conflict management strategies. This perspective dominated the literature for a number of years; however, it failed to address the complex impact that conflict had on groups and group functioning. As a result, two alternative schools of thought evolved, the interactionist perspective, which was based on the multidimensional nature of conflict and claimed that the impact of conflict varies by the type of conflict and the other, the information processing perspective, which was based on the notion that the impact of conflict is a function of the level of conflict within a group.

Jehn (1992) adopted the interactionist perspective in her research program, hypothesizing that conflict is not all good or all bad, but rather the impact on outcomes depended on the type of conflict. In developing her typology of intragroup conflict, she used descriptions of observed conflict scenarios to define content, emotional, and administrative conflict (later labeled task, relationship, and process conflict, respectively). She concluded that each conflict type impacted outcomes in a variety of ways (Jehn, 1995). More specifically, she focused on the potential positive impact of task conflict on performance measures such as employee and group production, as well as the negative influence of relationship and process conflict on outcomes such as employee performance and commitment to the group (Jehn, 1997). Simply put, Jehn, (1995, Jehn, 1997) found that some task conflict could be beneficial to a group while any level of relationship and process conflict is bad. Since Jehn’s work, the interactionist perspective has been consistently adopted over the last 15 years (Amason, 1996; Amason and Mooney, 1999; De Dreu and Van de Vliert, 1997; De Dreu and Van Vianen, 2001; Jehn, 1995; Jehn 1997; Jehn et al., 1999; Jehn and Chatman, 2000; Jehn and Mannix, 2001; Passos and Caetano, 2005; Simons and Peterson, 2000).

Despite the emphasis on the interactionist perspective and the task versus process versus relationship conflict theory, a lack of consistency regarding empirical support for this theory remains (De Dreu and Weingart, 2003). Specifically, in their meta-analysis of intragroup conflict studies, De Dreu and Weingart reported that both task and relationship conflict had the potential to be disruptive. They concluded that the results were consistent with the information processing perspective, which suggests that low levels of conflict may be beneficial; however, these benefits tend to quickly break down as group conflict intensifies. Carnevale and Probst (1998) explained the effect of the information processing perspective in terms of “cognitive load.” Cognitive load impacts employees in that certain levels (not necessarily types) of conflict affect how an employee behaves. As conflict and arousal increase, cognitive load increases, and this interferes with flexible thinking and creative problem solving, therefore negatively impacting outcomes. De Dreu and Weingart (2003) reasoned that cognitive load, as a result of high levels of task conflict, explained the lack of empirical support for the positive impact of this type of conflict on performance. Further, they argued that the presence of cognitive load explained why all three types of conflict were consistently negatively related to affective outcomes; namely, the cognition required to interpret conflict becomes so high that it restricts an employee’s ability to perform a task, thus decreasing his/her level of satisfaction with, and commitment to, the group (De Dreu and Weingart, 2003).

The results of previous research consistently show that relationship conflict and process conflict have negative relationships with performance outcomes. Decision quality is a key indicator of group performance (Amason, 1996) and is particularly relevant for the examination of conflict and performance. Researchers have suggested that an employee’s conflict style is a behavioral orientation of how to approach and handle conflict, with employees choosing a pattern of principles to guide them through the conflict process. These patterns evolve into actions and reactions that become known as their “style” Vestal (2011). Conflicts can be managed both by cooperative and competitive conflict management strategies. Cooperative and competitive conflict management strategies are both active conflict engaging patterns,
but they reflect different levels of cooperativeness or concern for others. The cooperative style involves a high level of concern for the self as well as for the other party. This style has also been described as a problem solving, collaborative, integrating, solution oriented, win win or positive-sum style. The competitive style, in contrast, involves a high level of concern for the self but a lower level of concern for the other party. It is also known as a competing, controlling, contending, win lose, or zero-sum style (Rahim et al., 2001; Rahim, 2002). Studies that have extended the cooperative competitive conflict management typology to organizational settings (Kuhn and Poole, 2000; Tjosvold, 2008; Tjosvold et al., 2004; Tjosvold et al., 1999) have demonstrated that conflict dynamics and team outcomes are greatly affected by whether employees emphasize a cooperative or a competitive conflict-management approach.

The Following hypothesis have been developed from discussion in Figure 1.

H1: Employee conflicts has association with Employee performance
H2: Conflict management will moderate the relationship between the Employee conflicts and Employee performance.

3. CONFLICT, EMPOWERMENT AND PERFORMANCE

Employee empowerment refers to the potentially effective work practice in order to manage organizations in a better way (Seibert et al., 2004; Menon, 2001; Bowen and Lawler, 1992). They found a difference between employee involvement and employee empowerment. The main difference discovered between these terminologies is in “transfer” of decision making authority. Control remains in the hands of management in case of employee involvement programs while in employee empowerment programs employees are more empowered and have the control to coordinate, allocate and to improve the functions related to the task. A literature review reveals that empowerment can be divided into two categories structural empowerment and psychological empowerment (Seibert et al., 2004; Mills and Ungson, 2003; Psinos and Smithson, 2002; Randolph, 1995; Conger and Kanungo, 1988; Thomas and Velthouse, 1990; Menon, 2001). Power distance in the organization can lead to the degree to which employees are empowered. The term power distance (Hofstede, 1980) refers to the extent to which culture members accept an unequal distribution of power. A culture characterized by high power distance accepts wider differences in power, and employees are expected to show a great deal of respect for those in authority. In contrast, a culture of low power distance plays down inequalities as much as possible. According to Sigler (2000) efforts to minimize differences between employees and managers should support empowerment efforts by making everyone seem equally valued by the organization. Organizational culture takes on very different meanings according to its environment (Schien, 1992). This power distance leads to so many work related outcome like low productivity, increased conflicts and isolation. It is more likely that employee empowerment can mediates the relationship between conflicts and employee performance. Thus following hypothesis has been proposed.

H3: Conflicts are negatively associated with employee empowerment
H4: Employee empowerment is positively associated with employee performance
H5: Employee empowerment mediated the relationship between conflict and employee performance. Figure 2 showed the framework of study.

4. METHODOLOGY

The unit of analysis for the quantitative data collection in this study is individuals working in higher education sector (HEIs) in Pakistan. A sample of 100 respondents were sent questionnaire and usable questionnaires were 81. A simple random sampling technique was used to select the proportion of targeted respondents from five universities and then proportionate sampling technique was used to collect data. Data was collected through a standardized Questionnaire (Spreitzer, 1995; Meyer et al., 1990). Responses are obtained on a 5-point Likert scale ranging from (1 = strongly
disagree to 5 = strongly agree). Moreover, the questionnaire comprised of 35 items. Respondents were requested to be fair with their responses and that the data will only be used for research purpose and will then be kept confidential. Descriptive analysis, Correlation analysis and Regression analysis were used for this study. To test for the mediation effect of employee empowerment, the procedures suggested by Judd and Kenny, (1981) is used. Judd and Kenny, (1981) used hierarchal regression analysis to prove the mediating role of construct.

5. RESULTS

Table 1 illustrates mean of culture which is 4.55. Standard deviation of culture is 0.48. Mean of empowerment, conflicts and Employee Performance are 4.26, 3.63, and 4.36 respectively. Moreover, standard deviations of empowerment, conflicts and employee performance are 0.68, 0.57 and 0.74 respectively.

Correlation examines the extent and direction of the relationship between the variables of current study. Below tables show the correlation matrix for the current study descriptive statistics (N = 180).

The Table 2 highlights that conflict is significantly and negatively correlated with empowerment (r = -0.504, P< 0.01) and employees performance (r = -0.208, P < 0.01). While, no significant relationship was found between conflict and conflict management. Moreover, empowerment has also no significant relationship with employees’ performance. Whereas, empowerment has a positive and significant relationship with conflicts (r = 0.324, P < 0.01). Furthermore, conflicts has a negatively significant relationship with employees performance (r = -0.295, P < 0.01).

Study used multivariate regression analysis to test the hypothesis. Results indicated that there is a significant inverse effect of the conflict on employee performance with coefficient value -1.16 and significant at 0.05 level. This accepts the hypothesis H1 so employee conflicts are negatively associated with the employee performance. Table 3 showing the results.

In model 2 interaction term has also been included to the test the moderation effect of the conflict management strategies between the relationship of the conflicts and employee performance. Results indicated a significance of the moderation effect with the coefficient of interaction terms 0.19 and P < 0.05. So the hypothesis 2 has been supported that the conflict management strategies will moderate the relationship between the conflict and employee performance.

Mediation effect has been tested through Baron and Kenny (1986) four step mediation testing approach; further results are verified through Sobel test for significance of mediation. Baron and Kenny (1986) suggested first three steps are the conditions to test mediation in fourth step. Any insignificant relationship in first three steps should cause failure to get into fourth step. Table 4 indicates in step one there exists a significant relationship between the Conflict and employee performance with P < 0.05 and β value -0.626. This result satisfies the first condition. Second section of the table shows significance regression between Conflicts and empowerment which depicts there exist a significant relationship between conflicts and employee empowerment which confirms the hypothesis 3 and this also satisfies second condition suggested by Baron and Kenny (1986) with P < 0.05 and β = 0.613. Third section shows significant relationship between empowerment and employee performance. So the hypothesis H4 has been satisfied. After satisfying these three conditions section four of the table ---- test the mediation effect. Results indicating that both the independent variable conflicts and employee empowerment shows significant relationship with employee performance when tested through multivariate regression. This situation fulfills the conditions of partial mediation. So employee empowerment partially mediates the relationship between conflicts and employee performance.

6. CONCLUSION

Study highlight the effect conflicts on employee performance in the organizational setting and reveals a negative relationship of the conflicts with the employee performance. However, a moderating role of the conflict management strategies has been found. Employee exposed to the intense level of conflict is most likely to lower their performance and they can mitigate the negative effect of conflict on performance through employing different conflict management strategies. On the other hand study found employee
empowerment as a mediator between the relationship of conflicts and employee performance. This means a high level of employee empowerment can mediates the relationship between the employee conflict and employee performance.

Study is useful for the higher education institutions in the Pakistan to understand the relationship of the conflicts among employees and also provide strategies to decrease the effect of conflict on employee performance. HEI are required to encourage employees to apply conflict management strategies to handle conflicts at workplace and also HEI are recommended to empower their employees to increase performance.

### REFERENCES


### Table 3: Regression analysis \((n=180)\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Significant</th>
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<tr>
<td></td>
<td>(B)</td>
<td>Standard error</td>
<td>(\beta)</td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
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<td>0.38</td>
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<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
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<td>0.00</td>
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<td>0.80</td>
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<tr>
<td>Conflict management</td>
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<td>0.00</td>
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<tr>
<td>Interaction term</td>
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<td>0.05</td>
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### Table 4: Mediation test

<table>
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<tr>
<th>Step one dependent variable organizational performance</th>
<th>(\beta)</th>
<th>Standard error</th>
<th>(t) value</th>
<th>(P) value</th>
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<td>Conflict</td>
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<td>(R^2)</td>
<td>0.52</td>
<td>Adjusted (R^2)</td>
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<td>Step two dependent variable empowerment</td>
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<td>0.047</td>
<td>−13.04</td>
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<td>0.4</td>
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<td>Adjusted (R^2)</td>
<td>0.652</td>
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<td>Step four dependent variable employee performance</td>
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<td>−0.242</td>
<td>0.086</td>
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<td>Employee empowerment</td>
<td>0.626</td>
<td>0.021</td>
<td>2.62</td>
<td>0.009</td>
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<tr>
<td>(R^2)</td>
<td>0.734</td>
<td>Adjusted (R^2)</td>
<td>0.686</td>
<td>F statistics</td>
</tr>
</tbody>
</table>
| Sobel test | 11.2 | Note: ***Significant at \(p<0.001\)
Schein, E.H. (1992), How can organizations learn faster?: The problem of entering the Green Room. Alfred P. Sloan School of Management, Massachusetts Institute of Technology.